Government of Saskatchewan

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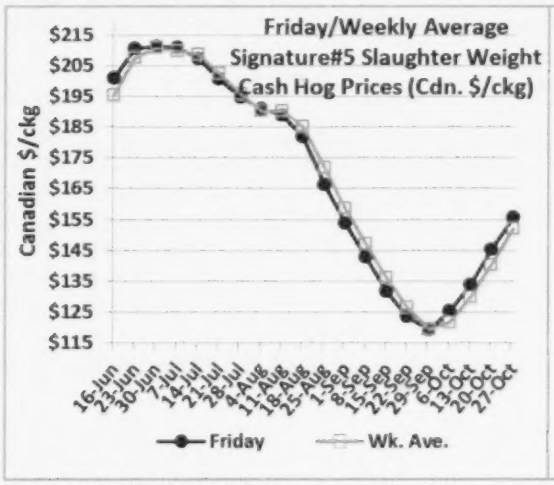
Weekly Hog Report

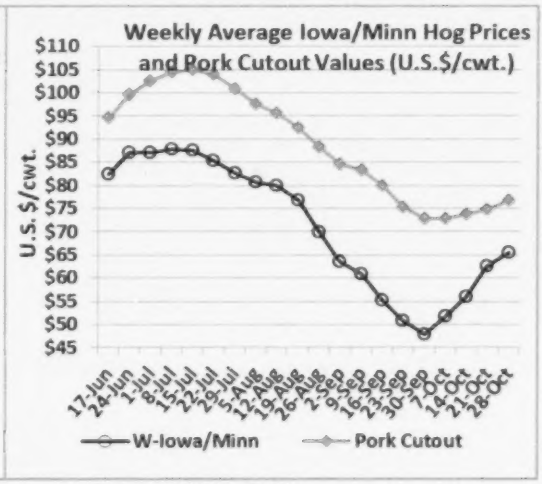
October 30, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) were overall steady most of the week until Friday when prices declined pushing daily prices lower, week-over- week. Hog prices on Friday October 27 averaged US$63.68 per cwt, down US$1.50 per cwt or 2.3 per cent from US$65.18 per cwt the previous Friday. The negotiated weekly base price last week averaged US$65.52 per cwt, up US$2.90 per cwt or 4.6 per cent from US$62.62 per cwt the previous week.



Source: HAMS Marketing

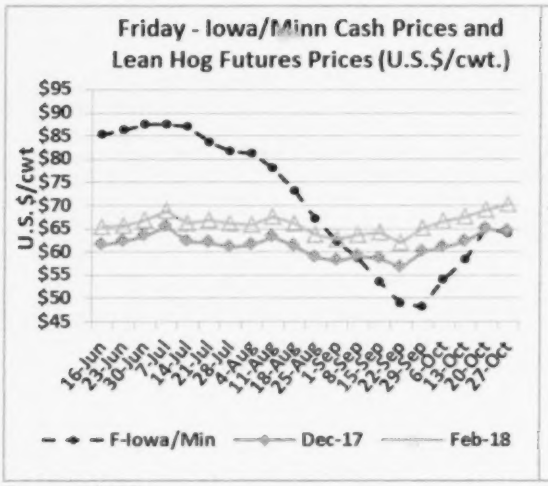


Source: LMIC, CME

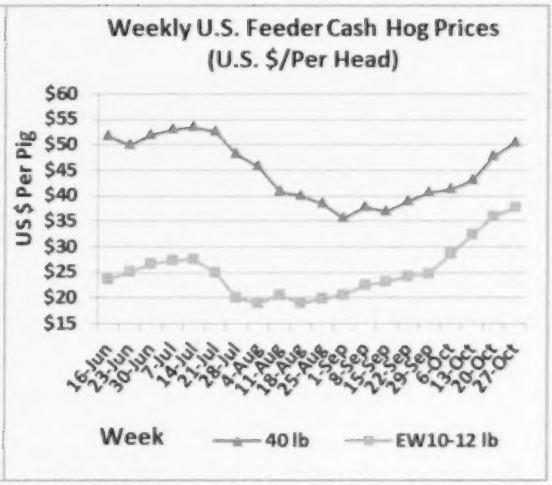
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday October 27, 2017 was $155.43 per ckg, up $10.22 per ckg or 7.0 per cent from $145.21 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $151.94 per ckg, up $11.77 per ckg or 8.4 per cent from the previous weeks' average price of $140.17 per ckg. The Canadian dollar compared to the U.S. dollar settled last Friday at 77.68 cents, down 1.68 cents from 79.36 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were mixed last week and edged primarily higher except for the nearby December contract. The nearby December contract declined US$0.400 per cwt to settle last Friday at US$64.450 per cwt; while the February 2018 contract increased US$1.150 per cwt to settle last Friday at US$70.250 per cwt.



Source: LMIC



Source: USDA

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices moved higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$37.77 per head, up US$1.84 per head or 5.1 per cent from US$35.93 per head the previous week. Feeders (40lb) averaged US$50.26 per head, up US$2.48 per head or 5.2 per cent from US$47.78 per head, the previous week.

Iowa cash corn prices settled last Friday at US$3.02 per bushel, up four cents from US$2.98 per bushel the previous Friday. Daily corn futures were mixed last week with strong gains on Monday to push prices higher, weak-over-week. The December corn contract increased 4¼ cents last week to settle Friday at US$3.48 ¾ per bushel. The March 2018 corn contract increased four cents to settle Friday at US$3.62 ½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 27 were estimated at 2.526 million head, up 1.9 per cent from 2.480 million head the previous week, and up 5.0 per cent from 2.407 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged 2.509 million head, up 3.9 per cent from 2.415 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 20, 2017 were estimated at 445,383 head, up 18.4 per cent from 376,118 head the previous shorter Thanksgiving week, but down 2.4 per cent from 376,118 head the same week a year ago. Canadian hog slaughter numbers over the last eight weeks averaged 416,070 head, up slightly from 415,322 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 17,351,697 head, up 1.7 per cent from the same period a year ago. (Source: AAFC/CFIA)

In Western Canada, federal and provincial hog slaughter numbers over the last eight weeks ending October 20, averaged 164,402 head, down 3.50 per cent from 170,372 head over the same eight weeks a year ago. Year-to-date, Western Canadian hog slaughter numbers totaled 7,106,402 head, up 0.9 per cent from the same period a year ago.

Meat Production

U.S. pork production for the week ending October 28, 2017 was estimated at 531.5 million lb., up 1.8 per cent from 522.0 million lb. the previous week, and up 4.6 per cent from 508.1 million lb. the same week a year ago. Pork production over the last four week's ending October 28 was estimated to average 528.0 million lb., up 3.8 per cent from 508.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 28 was estimated at 508.4 million lb., down 2.0 per cent from 519.0 million lb. the previous week, and down 1.5 per cent from 516.1 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 21, 2017, was estimated to average 2.221 billion lb., up 2.6 per cent from 2.165 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.3 per cent compared to the same period in 2016.

United States Weekly Meat Production

(Oct. 21) Four Week Average - Million Lb.			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	510.5	528.1	3.5%	3.0%
Beef	510.2	522.7	2.4%	4.4%
Chicken	1,013.1	1,032.3	1.9%	1.2%
Turkey	131.4	138.2	5.2%	0.7%
Total	**2,165.1**	**2,221.3**	**2.60%**	**2.32%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending October 27, 2017 averaged US$76.71 per cwt, up US$1.96 per cwt or 2.6 per cent from US$74.75 per cwt the previous week; and up 4.9 per cent from US$73.15 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending October 27, 2017 averaged US$201.05 per cwt over the week, up US$2.42 per cwt or 1.2 per cent from US$198.63 per cwt the previous week, and up 10.5 per cent from US$182.00 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending October 27, 2017 averaged US$113.54 per cwt, up slightly from US$113.42 per cwt the previous week, and up 2.7 per cent from US$110.59 per cwt the same week a year ago.

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